

2 CHARLESGATE WEST
BOSTON, MA 02215
1-617-369-1000
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June 30, 2004

VIA OVERNIGHT DELIVERY

Ms. Jean Jewel
Commission Secretary
Idaho Public Utilities Commission
472 West Washington Street
Boise, ID 83702-5983
(208) 334-0300

TIN-T-04-01

Re: Trans National Communications International, Inc.

Dear Ms. Jewel:

Enclosed please find for the consideration of the Public Utilities Commission an original and three copies of Trans National Communications International, Inc's Statement of Business Operations for a Certificate of Public Convenience and Necessity to Provide Resale Facilities-based UNE-P Service and Local Exchange Telecommunications Service within all local exchanges served by Qwest Communications in the state of Idaho. Please note that the company is currently authorized to provide Interexchange Service in the state of Idaho.

I have enclosed an extra copy of this letter to be date stamped and returned to me in the enclosed, self-addressed, postage prepaid envelope.

If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Erick Robinson", written in a cursive style.

Erick Robinson
Regulatory Specialist

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IDAHO PUBLIC
UTILITIES COMMISSION

STATE OF IDAHO

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

In the matter of the application of)
Trans National Communications International, Inc.)
For a license to provide resale facilities-based)
UNE-P service and basic local exchange service)
throughout the state of Idaho in the zone and)
exchange areas served by Qwest Communications)
_____)

TIN-T-04-01

APPLICATION OF
TRANS NATIONAL COMMUNICATIONS INTERNATIONAL, INC.

Trans National Communications International, Inc. ("Trans National" or "TNCI" or "Applicant"), hereby applies to the Idaho Public Utilities Commission ("Commission" or "IPUC") for a license to provide resale facilities-based UNE-P service and basic local exchange service throughout the state of Idaho in the zone and exchange areas in which Qwest Communications is the incumbent local exchange carrier ("incumbent carrier"). Trans National proposes to provide these services as a reseller, as well as provide non-licensed and unregulated telecommunications services on a competitive basis.

Trans National's application seeking entry into the Idaho telecommunications market is in the public interest because it will provide Idaho consumers with an enhanced range of telecommunication services, will increase customer choice, will encourage carriers to provide more efficient service at lower prices, will provide users with greater reliability, and will create competitive pressure on carriers to provide more responsive customer service. Trans National respectfully submits that its entry will bolster competition for the provision of local telecommunications services, which is essential to the state's continued economic health and well being.

Approval of this application will further the purposes of the Federal Telecommunications Act of 1996 ("Federal Act"). Therefore, Applicant respectfully requests that the Commission grant it a license to provide the local exchange telecommunications services described herein. In support thereof, Trans National provides the following information:

I. NAME AND BUSINESS OF APPLICANT

Applicant's address is:

Trans National Communications International, Inc.
2 Charlesgate West
Boston, Ma 02215
(671) 369-1000

Correspondence concerning this application should be directed to Trans National's regulatory specialist:

Mr. Erick Robinson
2 Charlesgate West
Boston, Ma 02215
Telephone: (617) 369-1059
Fax: (617) 369-1110

II. TRANS NATIONAL FULLY MEETS THE REQUIREMENTS FOR A LICENSE TO PROVIDE LOCAL EXCHANGE SERVICE.

After notice and hearing, the Commission shall approve an Application for license if it finds that (a) the applicant possesses sufficient technical, financial, and managerial resources and abilities to provide local exchange service to all residential and commercial customers within the geographic area of the license, (b) the applicant intends to provide service within one year from the date the license is granted, and (c) grant of a license to the applicant would not be contrary to the public interest. As explained in further detail below, Trans National fully meets the requirements.

Trans National's provision of local exchange services, including rates to be charged to Trans National's customers, will be dependent upon the negotiation of interconnection agreements with the incumbent carriers. Upon issuance of a license, and the completion of negotiation with the incumbent carriers, Trans National will promptly file a tariff that complies with all omission rules and regulations and lists the rates, terms and conditions of service.

A. Description or identification of geographic area for which the license is sought.

Trans National proposes to offer local exchange service within all local zone and exchange service areas presently served by Qwest Communications, Inc in the state of Idaho.

Trans National will service the exchanges as mapped and described by Qwest Communications, Inc. The local calling area for Trans National's customers will be the same as the Incumbent Carrier's existing exchange boundaries. This means that Trans National's customers will have the same local calling area as if they remained customers of the Incumbent Carrier.

Trans National intends to mirror the map and legal description sections of the tariffs filed by the incumbent carriers for the exchanges it proposes to serve. Trans National understands that Trans National will automatically mirror any future modifications to these exchange boundaries or legal description of these boundaries on a going forward basis. If not mirrored, new detailed maps and legal descriptions, on an individual exchange basis will be filed with the Commission for approval.

B. Description of the Applicant's general financial, technical and managerial resources.

1. Background Corporate Information.

Trans National is a Delaware corporation and is authorized to transact business in the State of Idaho as a foreign corporation. A copy of Trans National's Articles of Incorporation and Certificate of Authority are attached as exhibits. Trans National was incorporated August 1, 1995. Current business and network plans call for market entry via resold LEC and IXC facilities. Trans National is currently authorized to and is providing resold interexchange service in the contiguous 48 states and Hawaii. The company has authority to provide local exchange service in 18 states, and is in the process of obtaining authority in 13 additional states.

The officers and directors of Trans National are as follows:

| | |
|---------------------|----------------------|
| Brian Twomey | President |
| William B. Weidlein | Treasurer & Director |
| Steven B. Belkin | Chairman & Director |
| Monte Jaffe | CFO |
| Pamela Hesse | Controller |
| Marcy Raskind | Secretary |
| Joan W. Belkin | Director |

All Officers and Directors may be contacted at the corporate headquarters address.

2. Financial Qualifications.

Applicant is financially qualified to possess a license to provide local exchange service. In particular, Applicant has access to the financing and capital

necessary to conduct its telecommunications operations as specified in this Application. Trans National's financial strength and ability to offer the above service is demonstrated in Trans National's unaudited Financial Statements for years ended December 31, 2003 and 2002 respectively, which are attached as an exhibit. As Trans National is a private corporation, its financial qualifications are considered confidential.

3. Managerial Qualifications.

Trans National possess the managerial qualifications to provide its proposed local exchange telecommunications services. The senior management of Trans National has extensive experience in telecommunications service provision, and its highly qualified technical staff will ensure that Trans national's operations will meet the most demanding standard for service quality and reliability.

4. Technical Qualifications.

Applicant is technically qualified to provide the proposed local exchange services in the state of Idaho. As mentioned above, the members of Trans National's management team have extensive management and telecommunications experience. Since Trans National will be providing local exchange service initially through resale only, Trans National will also rely upon the managerial and technical expertise of the incumbent local exchange carriers that have been certified and deemed technically and managerially able to provide local exchange service by the Commission.

Trans National is currently authorized to and is providing resold interexchange service in the contiguous 48 states and Hawaii. The company has authority to provide local exchange service in 18 states and is in the process of obtaining authority in 13 additional states. Applicant has not been denied authority for any of the services for which it seeks authority in this Application.

As the forgoing illustrates, Trans National possesses considerable telecommunications expertise and is well qualified to provide local exchange service in Idaho.

C. Description of Applicant's technical , financial and managerial resources and abilities to provide local exchange service to all residential and commercial customers within the geographical area of the license.

The Applicant has demonstrated in section B, above, that is possesses the requisite technical, financial and managerial resources and abilities to provide all forms of resold local exchange telecommunications services.

Trans National seeks a license to provide resale facilities-based UNE-P service and local exchange telecommunications services in the zone and exchange areas throughout the state of Idaho in which Qwest Communications, Inc is the incumbent local exchange carrier.

Trans National intends to provide all forms of resold local exchange services to business and residential customers in Idaho. These services include two-way local lines/trunks, Centrex, ISDN and DSL services. Trans National also proposes to provide associated local calling (usage) for these access lines, including message rate service for business customers and the required calling options for residential customers. It will offer, also on a resold basis, operator assistance services, lifeline, hearing impaired services, directory assistance and directories, free 900 prefix call blocking and switched access services. It will also offer intraLATA and interLATA toll services on 1+ and 0+ basis.

Additionally, Trans National will implement the procedures necessary to prevent deceptive and unfair marketing practice, and will comply with applicable Commission service and billing standards. Trans National will comply with the applicable intraLATA access requirements of incumbent local exchange telephone companies, and with all other applicable Commission rules, regulations and standards.

As stated herein, Trans National's prices will depend significantly upon its costs, including, in particular, its costs of completing calls through the incumbent carriers' existing networks, which will not be identified until after the conclusion of interconnection negotiations with the incumbent local exchange carriers.

D. Demonstration of Applicant's intent to provide service within six months from the date the license is granted.

Trans National intends to offer service within six months of the date a license is granted by the commission. Prior to the provision of service, in Idaho, several important developments must occur. Among these developments are, the issuance of a license by the Idaho Public Utilities Commission; successful negotiation of interconnection agreements with the incumbent carrier; and, the completion and filing of a final tariff with the Commission for Trans National's regulated local exchange services. Each of these activities may be subject to delay and difficulties beyond the control of Trans National.

E. Discussion of the impact on the public interest.

Both the Idaho Public Utilities Commission and the United States Congress have determined that it is in the public interest to promote competition in the provision of telecommunication services. As discussed above, the Federal Act was designed to promote increased competition in the telecommunications

market. Moreover, the Commission has already determined that the grant of applications for competing licenses to provide local exchange services is in the public interest. The recent experience with the introduction of competition to other telecommunications markets, such as long distance, competitive access, and customer premises equipment, has led to public interest benefits in those markets.

Prior to the enactment of the Federal Act, the Federal Communications Commission ("FCC") had found ample evidence that competitive provision of interstate services (both interexchange and access) furthers the public interest.

Trans National's proposed services will provide multiple public benefits by increasing the efficiency of incumbent carriers by providing users of telecommunications services with greater reliability, and by increasing the competitive choices available to users in the state. Enhanced competition in telecommunications services likely will further stimulate economic development in Utah. In addition, increased competition will create incentives for lower prices, more innovative services, and more responsive customer service.

Furthermore, the grant of a license will not adversely affect the incumbent carriers' service. As has been the case with other competitive initiatives in Idaho, a grant of the instant authority will have minimal impact on the incumbent. In fact, incumbent providers have benefited from market incentives to improve the efficiency of their operations, and from increased usage of their services due to expansion of the total market spurred by competition and lower prices.

Local exchange services competition also will stimulate the demand for the services supplied by all local service carriers, including those of the incumbent carrier. The incumbent provider will have market incentives to improve the efficiency of its operations, and it will benefit from the increased use of its services, due to the expansion of the total market and by their competitively driven prices.

Furthermore as demonstrated above, the grant of this license will provide significant benefits to consumers in terms of carrier choice, price, increased reliability, responsiveness and the introduction of new services. Additionally, as competition has driven telecommunications prices downward, businesses have seen reductions in their operating costs and increases in their sales, which have contributed to the viability of the economy and employment levels.

F. Compliance with Commission Rules.

Applicant agrees to comply with the applicable provisions and all rules, regulations, and laws applicable to it, unless it has requested and received a waiver from the Commission. To the extent economically and technically feasible, Applicant is willing and able to provide service to all customers in the same service classification in its designated geographical service areas in

accordance with its tariff offerings. In accordance with the Commission's specific rules for local exchange telephone competition, Applicant will have procedures in place to prevent deceptive and unfair marketing practices and will comply with applicable service and billing standards and rules. It will also comply with applicable intraLATA access requirements to the extent the incumbent LEC is required to do so.

CONCLUSION

Trans National Communications International, Inc. has demonstrated that it possesses sufficient technical, financial and managerial resources and abilities to provide local exchange service in the areas requested. Trans National has also demonstrated that its exercise of this authority will not adversely affect local exchange prices or network design and that it would not be contrary to the public interest.

WHEREFORE, Trans National Communications International, Inc. respectfully requests that the Commission enter an order which:

- (1) Grants Trans National Communications International, Inc. a license to provide resale Facilities-based UNE-P service and local exchange service throughout the state of Idaho in the zone and exchange areas in which Qwest Communications, Inc. is the incumbent local exchange carrier.
- (2) Grants such additional or further relief as may be necessary or appropriate.

Respectfully submitted,

By: 

Erick Robinson
2 Charlesgate West
Boston, Ma 02215
Telephone: (617) 369-1059
Fax: (617) 369-1110

Dated: June 30, 2004

LIST OF EXHIBITS

EXHIBIT 1 - ARTICLES OF INCORPORATION

EXHIBIT 2 – AUTHORIZATION FROM SECRETARY OF STATE

EXHIBIT 3 – TRANS NATIONAL’S CONTACT LIST

EXHIBIT 4 – SHAREHOLDER INFORMATION

EXHIBIT 5 – FINANCIAL INFORMATION

EXHIBIT 6 – ESCROW ACCOUNT OR SECURITY BOND

EXHIBIT 1

ARTICLES OF INCORPORATION

See Attached

Delaware

PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "TRANS NATIONAL COMMUNICATIONS INTERNATIONAL, INC.", FILED IN THIS OFFICE ON THE FIRST DAY OF AUGUST, A.D. 1995, AT 12:30 O'CLOCK P.M.



Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State

2529585 8100

AUTHENTICATION: 2847791

030843570

DATE: 01-05-04

CERTIFICATE OF INCORPORATION

OF

TRANS NATIONAL COMMUNICATIONS INTERNATIONAL, INC.

The undersigned, a natural person, for the purpose of organizing a corporation for conducting the business and promoting the purposes hereinafter stated, under the provisions and subject to the requirements of the laws of the State of Delaware (particularly Chapter 1, Title 8 of the Delaware Code and the acts amendatory thereof and supplemental thereto, and known, identified and referred to as the "General Corporation Law of the State of Delaware"), hereby certifies that:

FIRST: The name of the corporation (hereinafter called the "Corporation") is

TRANS NATIONAL COMMUNICATIONS INTERNATIONAL, INC.

SECOND: The address, including street, number, city, and county, of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, Corporation Trust Center, City of Wilmington, County of New Castle; and the name of the registered agent of the Corporation in the State of Delaware is The Corporation Trust Company.

THIRD: The nature of the business to be conducted and the purposes of the Corporation are:

To purchase or otherwise acquire, invest in, own, lease, mortgage, pledge, sell, assign and transfer or otherwise dispose of, trade and deal in and with real property and personal property of every kind, class and description (including, without limitation, goods, wares and merchandise of every kind, class and description), to manufacture goods, wares and merchandise of every kind, class and description, both on its own account and for others;

To make and perform agreements and contracts of every kind and description; and

Generally to engage in any lawful act or activity or carry on any business for which corporations may be organized under the Delaware General Corporation Law or any successor statute.

FOURTH: The total number of shares of capital stock which the Corporation shall have authority to issue is 10,000 shares of Common Stock with \$.01 par value.

RESTRICTIONS ON TRANSFER

- 4.1 Non-Complying Transfers Prohibited. No shares of common stock ("Shares") owned by any person or entity (a "Stockholder") may be sold, assigned, pledged, hypothecated, encumbered, gifted, devised or otherwise transferred to any person or entity, voluntarily, or by operation of law, court order, foreclosure, marital property division or otherwise except in accordance with the terms and conditions hereinafter set forth.
- 4.2 Rights of First Refusal on Voluntary Transfers.
- 4.2.1 Any Stockholder who intends to sell, assign, transfer or otherwise voluntarily dispose of all or part of any Shares (the "Selling Stockholder"), shall give written notice of such intention to Steven B. Belkin, his successors and assigns (the "Founding Stockholder") and the Corporation, which notice shall include the name of the proposed transferee, the proposed purchase price per Share, the terms of payment of such purchase price and all other matters relating to such sale and shall be accompanied by a copy of the binding written agreement of the proposed transferee to purchase the Shares of the Selling Stockholder. Such notice shall constitute a binding offer by the Selling Stockholder to sell to the Founding Stockholder and the Corporation, or their assignees, such number of Shares then held by the Selling Stockholder as are proposed to be sold in the notice at the monetary price per Share designated in such notice, payable as provided in Section 4.2.4 hereof. Within thirty days after receipt of written notice from the Selling Stockholder, the Founding Stockholder shall give written notice to the Selling Stockholder as to whether such offer has been accepted by the Founding Stockholder. The Founding Stockholder may only accept such offer in whole and may not accept such offer in part. Such acceptance notice shall fix a time, location and date for the closing on such purchase ("Closing Date") which shall not be less than seven nor more than forty-five days after the giving of the acceptance notice. The place for such closing shall be at the principal office of the Corporation or such other location agreed to by the parties. At such closing, the Selling Stockholder shall accept payment as set forth in Section 4.2.4 and shall deliver to the Founding Stockholder in exchange therefor certificates for the number of Shares stated in the notice accompanied by duly executed instruments of transfer.

- 4.2.2 If the Founding Stockholder shall fail to accept the offer within the thirty-day period, then the Corporation shall have fifteen days from the expiration of such notice period within which to accept in whole, but not in part, the offer of the Selling Stockholder, by giving to him written notice as set forth above of their intent to purchase all, but not less than all, of the Shares proposed to be sold as provided in the notice to the Founding Stockholder and the Corporation at the monetary price per Share designated in such notice, payable as provided in Section 4.2.4 hereof. The place for such closing shall be at the principal office of the Corporation or such other location agreed to by the parties. At the closing of such purchase and sale, the Selling Stockholder shall accept payment as set forth in Section 4.2.4 and shall deliver to the Corporation in exchange therefor certificates for the number of Shares stated in the notice accompanied by duly executed instruments of transfer.
- 4.2.3 If the Founding Stockholder and the Corporation shall fail to accept any such offer, then the Selling Stockholder shall be free to sell all, but not less than all, of the Shares set forth in his notice to the designated transferee at a price and on terms no less favorable to the Selling Stockholder than described in the Selling Stockholder's notice, *provided* that such sale is consummated within six months after the giving of notice by the Selling Stockholder to the Founding Stockholder and the Corporation as aforesaid, but the transferee (and all subsequent transferees) shall thereafter only be permitted to sell or transfer Shares in accordance with the terms hereof. After the expiration of such six-month period, the provisions of this Section 4.2 shall again apply with respect to any proposed transfer of the Selling Stockholder's Shares.
- 4.2.4 The purchase price of any Shares to be acquired pursuant to this Section 4.2 shall be payable on the terms offered to the Selling Stockholder by the proposed transferee (*provided, however*, that the Founding Stockholder and the Corporation shall not be required to meet any non-monetary terms of the proposed transfer, including, without limitation, delivery of other securities in exchange for the Shares proposed to be sold).
- 4.3 Death of a Stockholder. Within thirty days after the death of any Stockholder (other than the Founding Stockholder) (the "Deceased Stockholder"), the executors or administrators of the estate of the Deceased Stockholder and each transferee of the Deceased Stockholder's Shares by virtue of such death shall give written notice thereof to the Founding Stockholder and the Corporation offering to the Founding Stockholder and the Corporation or any assignee of either of them all of the Shares owned by the Deceased Stockholder at the time of death.

Within thirty days after receipt of such notice, the Founding Stockholder or his assignee, may elect to purchase all of the Shares so offered at a purchase price per Share determined in accordance with Section 4.7 hereof. If such Shares are not purchased by the Founding Stockholder, they shall be offered in the same manner to the Corporation. Within thirty days after the expiration of the Founding Stockholder's thirty-day period, the Corporation may elect to purchase all of the Shares so offered at a purchase price per Share determined in accordance with Section 4.7 hereof. If such Shares are not purchased by the Founding Stockholder or the Corporation, such Shares may be retained by the estate of the Deceased Stockholder or by such transferees subject to all other provisions hereof.

- 4.4 **Transfers by Operation of Law.** In the event that a Stockholder (i) files a voluntary petition under any bankruptcy or insolvency law or a petition for the appointment of a receiver or makes an assignment for the benefit of creditors, or (ii) is subjected involuntarily to such a petition or assignment or to an attachment or other legal or equitable interest with respect to his Shares and such involuntary petition or assignment or attachment is not discharged within thirty days after its date, or (iii) is subject to a transfer of his Shares by operation of law (except upon his death) the Founding Stockholder, the Corporation, or their assignees, shall have the right to elect to purchase all of the Shares which are owned by the Stockholder at a purchase price per Share determined in accordance with Section 4.7 hereof. Within thirty days after receipt of such notice, the Founding Stockholder or his assignee, may elect to purchase all of the Shares so offered at a purchase price per Share determined in accordance with Section 4.7 hereof. If such Shares are not purchased by the Founding Stockholder, they shall be offered in the same manner to the Corporation. Within thirty days after the expiration of the Founding Stockholder's thirty-day period, the Corporation may elect to purchase all of the Shares so offered at a purchase price per Share determined in accordance with Section 4.7 hereof. Failure of the Founding Stockholder and the Corporation to elect to purchase the Shares under this Section 4.4 shall not affect their rights to purchase the same Shares under Section 4.2 in the event of a proposed sale, assignment, transfer, or other disposition by or to any receiver, petitioner, assignee, transferee or other person obtaining an interest in the Shares.
- 4.5 **Prohibition on Encumbrances.** No Stockholder may pledge, hypothecate or otherwise encumber his Shares.
- 4.6 **Violation of Restrictions.** If any transfer of Shares is made or attempted contrary to the provisions of this Agreement or if any Shares are not

offered as required by these provisions, the Founding Stockholder and the Corporation shall have the right to purchase the Shares from the owner thereof or his transferee at any time before or after the transfer, as hereinafter provided. In addition to any other legal or equitable remedies, the Founding Stockholder and the Corporation may enforce this right by actions for specific performance (to the extent permitted by law). The Corporation may also refuse to recognize any such transferee or Stockholder as one of its stockholders for any purpose, including without limitation for purposes of dividend and voting rights, until all applicable provisions of these restrictions have been complied with.

4.7 Purchase Price.

4.7.1 Except with respect to purchases made under Section 4.2, the purchase price of each Share purchased hereunder shall be the fair market value per Share determined by appraisal as follows. Within thirty days after the election to purchase pursuant to Section 4.3 or 4.4, the Founding Stockholder or the Corporation, as the case may be, shall appoint an appraiser, the Stockholder whose Shares are being purchased (or his legally appointed representatives) shall appoint a second appraiser, and the two appraisers so appointed shall appoint a third appraiser, or if any party or the appraisers fail to act within such period, any unappointed appraiser or appraisers shall be appointed by the American Arbitration Association, Boston, Massachusetts, upon application of any party or appraiser. Each appraiser shall independently determine the value of the shares of the Stockholder whose Shares are being purchased as of a convenient date selected by the three appraisers. The fair market value of the Shares shall be the average of the two closest appraised values, and such determination shall be final and binding upon all interested persons. The Corporation shall promptly furnish to the appraisers such information concerning its financial condition, earnings, capitalization, business prospects and sales of its capital stock as they may reasonably request. The appraisers shall promptly notify in writing the Founding Stockholder, the Corporation and the Stockholder whose Shares are being purchased (or his legally appointed representatives) of the appraisers' final determination of value. The parties shall each bear the fees and expenses of the appraiser appointed by or for each of them, and the fees and expenses of the third appraiser shall be borne one-half by the Stockholder whose Shares are being purchased (or his legally appointed representatives) and one-half by the purchaser of the Shares.

4.8 Tenders. The Stockholder whose Shares are being purchased pursuant to Section 4.3 or 4.4 (or his legally appointed representatives) shall tender all Shares being purchased hereunder to the Founding Stockholder or the

Corporation, or to one or more assignees designated by the purchaser, at the principal office of the Corporation at a reasonable date and time specified by it (in any event within thirty days of the purchaser's election), by delivery of certificates representing such Shares endorsed in blank and in proper form for transfer against payment of the purchase price in cash or by certified or bank checks.

4.9 Waiver; Disposition of Shares. From time to time the Corporation may waive its rights hereunder either generally or with respect to one or more specified transfers which have been proposed, attempted or made. All action to be taken by the Corporation hereunder shall be taken by vote of a majority of its Directors then in office. Any Shares which the Corporation has elected to purchase hereunder may be disposed of by its Board of Directors in such manner as it deems appropriate, with or without further restrictions on the transfer thereof.

4.10 Subchapter S Restrictions. If the Corporation has elected to be an S corporation pursuant to Section 1362 of the Internal Revenue Code of 1986, as amended, then as long as such an election is in effect no Shares may be sold, assigned, pledged or otherwise transferred to any person or entity if the transfer would cause the termination of such election.

FIFTH: The name and mailing address of the sole incorporator is as follows:

| <u>Name</u> | <u>Mailing Address</u> |
|----------------|--|
| Anne T. Leland | Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. One Financial Center Boston, MA 02111 |

SIXTH: The Corporation is to have perpetual existence.

SEVENTH: For the management of the business and for the conduct of the affairs of the Corporation, and in further definition and not in limitation of the powers of the Corporation and of its directors and of its stockholders or any class thereof, as the case may be, conferred by the State of Delaware, it is further provided that:

A. The management of the business and the conduct of the affairs of the Corporation shall be vested in its Board of Directors. The number of directors which shall constitute the whole Board of Directors shall be fixed by, or in the manner provided in, the By-Laws. The phrase "whole Board" and the phrase "total number of directors" shall be deemed to have the same meaning, to wit, the total number of directors which the Corporation would have if there were no vacancies. No election of directors need be by written ballot.

B. After the original or other By-Laws of the Corporation have been adopted, amended or repealed, as the case may be, in accordance with the provisions of Section 109 of the General Corporation Law of the State of Delaware, and, after the Corporation has received any payment for any of its stock, the power to adopt, amend, or repeal the By-Laws of the Corporation may be exercised by the Board of Directors of the Corporation.

C. The books of the Corporation may be kept at such place within or without the State of Delaware as the By-Laws of the Corporation may provide or as may be designated from time to time by the Board of Directors of the Corporation.

EIGHTH: Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of Section 279 of Title 8 of the Delaware Code, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this Corporation, as the case may be, and also on this Corporation.

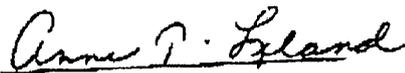
NINTH: The Corporation shall, to the fullest extent permitted by the provisions of Section 145 of the General Corporation Law of the State of Delaware, as the same may be amended and supplemented from time to time, indemnify any and all persons whom it shall have power to indemnify under said section from and against any and all of the expenses, liabilities or other matters referred to in or covered by said section as amended or supplemented (or any successor), and the indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any By-Law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

TENTH: No director of this Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director except to the extent that exculpation from liability is not permitted under the General Corporation Law of the State of Delaware as in effect at the time such liability is determined. No amendment or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior

to such amendment or repeal. If the General Corporation Law of the State of Delaware is amended after approval by the stockholders of this Article to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law of the State of Delaware, as so amended.

ELEVENTH: From time to time any of the provisions of this Certificate of Incorporation may be amended, altered or repealed, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted in the manner and at the time prescribed by said laws, and all rights at any time conferred upon the stockholders of the Corporation by this Certificate of Incorporation are granted subject to the provisions of this Article.

I, the undersigned, being the sole incorporator, for the purpose of forming a Corporation under the laws of the State of Delaware, do make, file and record this Certificate of Incorporation, to certify that the facts herein stated are true, and accordingly have hereto set my hand this 1st day of August, 1995.


Anne T. Leland

T3/565857.1

EXHIBIT 2

AUTHORIZATION FROM SECRETARY OF STATE

See Attached

State of Idaho

Office of the Secretary of State

CERTIFICATE OF AUTHORITY
OF

TRANS NATIONAL COMMUNICATIONS INTERNATIONAL, INC.

File Number C 130790

I PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that an Application for Certificate of Authority, duly executed pursuant to the provisions of the Idaho Business Corporation Act, has been received in this office and is found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Authority to transact business in this State and attach hereto a duplicate of the Application for such Certificate.

Dated: October 14, 1999



Pete T. Cenarrusa
SECRETARY OF STATE

By *Shirley L. Wainwright*

EXHIBIT 3

**TRANS NATIONAL COMMUNICATIONS INTERNATIONAL, INC'S
CONTACT LIST**

See Attached

**TRANS NATIONAL COMMUNICATIONS INTERNATIONAL CONTACT
INFORMATION**

General Issues Contact:

Erick Robinson, Tax and Regulatory Specialist
2 CharlesGate West
Boston, MA 02215
P (617) 369-1059 F (617) 369-1110

Customer Service Contact:

Jeff Cahill, Service Operations Manager
2 CharlesGate West
Boston, MA 02215
P (617) 369-1099 F (617) 369-1040

Technical Service Contact:

Chuck Luca, SVP Operations
2 CharlesGate West
Boston, MA 02215
P (617) 3691138 F (617) 369-1040

Tariff Contact:

Brenda Macdonald, VP Operations
2 CharlesGate West
Boston, MA 02215
P (617) 369-1229 F (617) 369-1111

Registered Agent:

National Registered Agents, Inc
1423 Tyrell Lane
Boise, ID 83706

EXHIBIT 4

TRANS NATIONAL SHAREHOLDER INFORMATION

See Attached

TNCI, Inc.

| <u>Shareholders</u> | <u>Address</u> | | | <u>Ownership %</u> |
|------------------------|--|------------|-------|------------------------|
| Steven B. Belkin | 8 Rocky Ledge Road | Weston, MA | 02493 | 77.10% |
| Amy Jill Belkin Trust | c/o Christopher Palmer 30 Colpitts Road | Weston, MA | 02493 | 11.45% |
| Julie Ann Belkin Trust | c/o Christopher Palmer 30 Colpitts Road | Weston, MA | 02493 | 11.45% |
| | | | | <hr/> 100.00% |

EXHIBIT 5
FINANCIAL INFORMATION

See Attached

DRAFT

Trans National Communications International, Inc.
 Balance Sheets
 December 31
 (in thousands)

| | <i>2003</i> | <i>2002</i> |
|--|----------------|----------------|
| Assets | | |
| Current Assets: | | |
| Cash And Cash Equivalents | \$167 | \$303 |
| Accounts Receivable, Net | 3,170 | 4,753 |
| Other Current Assets | 289 | 238 |
| | <hr/> | <hr/> |
| Total Current Assets | 3,626 | 5,294 |
| Fixed Assets, Net | 594 | 657 |
| Due From Affiliated Company | 1,200 | 242 |
| Other Assets, Net | 511 | 656 |
| | <hr/> | <hr/> |
| Total Assets | <u>\$5,931</u> | <u>\$6,849</u> |
| Liabilities And Shareholders' Equity | | |
| Current Liabilities: | | |
| Accounts Payable And Accrued Expenses | \$5,632 | \$6,190 |
| Current Portion Of Loan Payable | 35 | 40 |
| | <hr/> | <hr/> |
| Total Current Liabilities | 5,667 | 6,230 |
| Loan Payable | 13 | 48 |
| | <hr/> | <hr/> |
| Total Liabilities | 5,680 | 6,278 |
| Shareholders' Equity: | | |
| Common Stock \$0.01 Par Value; 10,000 Shares Authorized; 4,473 Issued And Outstanding; and Capital In Excess Of Par | 3,235 | 2,235 |
| Accumulated Deficit | (2,984) | (1,664) |
| | <hr/> | <hr/> |
| | 251 | 571 |
| | <hr/> | <hr/> |
| Total Liabilities And Shareholders' Equity | <u>\$5,931</u> | <u>\$6,849</u> |

See accompanying notes.

DRAFT

Trans National Communications International, Inc.
 Statements of Operations
 Year Ended December 31
 (in thousands)

| | <i>2003</i> | <i>2002</i> |
|---|-------------------------|---------------------|
| Revenue | \$43,154 | \$37,393 |
| Direct Costs | <u>(35,147)</u> | <u>(30,037)</u> |
| | 8,007 | 7,356 |
| Selling, General And Administrative Expenses | <u>(6,245)</u> | <u>(5,722)</u> |
| Income From Operations Before Depreciation And Amortization | 1,762 | 1,634 |
| Depreciation And Amortization | <u>(1,175)</u> | <u>(1,338)</u> |
| Income From Operations | 587 | 296 |
| Other Income/(Expenses): | | |
| Incentive Compensation Plans | 0 | (53) |
| Interest Expense | (313) | (288) |
| Interest Income | <u>0</u> | <u>2</u> |
| Net Income Before Discontinued Operations | 274 | (43) |
| Discontinued Operations | <u>(1,594)</u> | <u>384</u> |
| Net Income/(Loss) | <u><u>(\$1,320)</u></u> | <u><u>\$341</u></u> |

See accompanying notes.

DRAFT

Trans National Communications International, Inc.
 Statements of Cash Flows
 Years Ended December 31
 (in thousands)

| | <i>2003</i> | <i>2002</i> |
|---|------------------|--------------------|
| Operating Activities: | | |
| Net Income/(Loss) | <u>(\$1,320)</u> | <u>\$341</u> |
| Reconciliation To Cash Flow: | | |
| Depreciation And Amortization | 1,175 | 1,338 |
| Change In: | | |
| Accounts Receivable | 1,583 | (1,474) |
| Other Current Assets | (51) | (116) |
| Accounts Payable And Accrued Expenses | (558) | (212) |
| Due From Affiliated Company | <u>42</u> | <u>48</u> |
| Total Adjustments | <u>2,191</u> | <u>(416)</u> |
| Net Cash Provided By/(Used In) Operating Activities | <u>871</u> | <u>(75)</u> |
| Cash Flows From Investing Activities: | | |
| Purchase Of Fixed Assets | (253) | (264) |
| Other Assets | <u>(714)</u> | <u>(844)</u> |
| Net Cash Used In Investing Activities | <u>(967)</u> | <u>(1,108)</u> |
| Cash Flows From Financing Activities: | | |
| Proceeds from Capital Contributions | 1,000 | 0 |
| Due From Affiliated Company | (1,000) | |
| Borrowings | 0 | 130 |
| Loan Repayments | <u>(40)</u> | <u>(173)</u> |
| Net Cash Used In Financing Activities | <u>(40)</u> | <u>(43)</u> |
| Net Decrease In Cash And Cash Equivalents | (136) | (1,226) |
| Cash And Cash Equivalents, Beginning | <u>303</u> | <u>1,529</u> |
| Cash And Cash Equivalents, Ending | <u>\$167</u> | <u>\$303</u> |

See accompanying notes.

EXHIBIT 6

ESCROW ACCOUNT AND SECURITY BOND

Trans National is a well-established provider of interexchange and local exchange telecommunications services in 18 states. Applicant is financially viable as is evident by Applicant's financial statements attached as exhibit 5. Applicant is well positioned to provide reliable service and poses no risk to the public.